GPT Completes Entitlement Offer

28 November 2008

Summary

- $1.6 billion capital raising successfully completed
- Balance sheet strengthened
- Balance sheet gearing reduces to 28.8% (look-through gearing to 41.5%) on a proforma basis
- Improved credit rating
- Allotment of securities and placement of exchangeable securities to an affiliate of GIC RE finalised.

GPT is pleased to announce the completion of the Group's major recapitalisation which raised $1.6 billion through the issue of new securities to retail and institutional investors, including an affiliate of GIC Real Estate (GIC RE). The Offer received strong support from investors, reflected in the 58% take-up by Eligible Retail Investors, and oversubscription of the Institutional Offer.

Following the allotment of new securities under the Offer and the placement of $250 million perpetual exchangeable securities to an affiliate of GIC RE today, GPT's gearing will reduce materially. On a pro-forma basis gearing moves from 37.3% to 28.8% of assets on a headline basis, and from 46.7% to 41.5% on a look through basis.

The raising provides GPT with additional headroom in relation to gearing covenants and materially improves the Group's balance sheet position while introducing GIC RE as a significant investor. Eligible retail investors subscribed for 299.7 million new securities through the Retail entitlement offer, leaving a shortfall of 218.1 million securities. As disclosed in the Prospectus and Product Disclosure Statement for the issue, an affiliate of GIC RE subscribed for these shortfall securities, and also received an additional 31.9 million top-up New securities, increasing its total subscription amount to 250 million new securities.

Michael O'Brien, Acting Chief Executive Officer said: "We are very pleased with the success of the raising, which positions GPT to fully fund its business plan and refinancing needs through to January 2010 whilst we continue to pursue a program of non-core asset sales."

In conjunction with the capital raising, the look through gearing covenant in relation to the Group's €2 billion syndicated facility has been increased from 50% to 55%.

"The strengthening of the balance sheet as a result of the capital raising has also improved GPT's credit rating, with Standard & Poor's removing its 'negative outlook' and improving the Group's short term rating to A-2," Mr O'Brien said.

As part of GPT's debt reduction strategy, the company announced this week an offer to buy back its A$MTNs, up to the total of the A$700 million due 30 March 2009.

ENDS

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